- Helping IPPs to get fuel linkage.
- Alotting captive coal blocks to IPPs for mining coal to feed the power plants set up by them.

Violating conditions laid down for licence by inter-State power Trading companies

†1588. SHRI KALRAJ MISHRA: Will the Minister of POWER be pleased to state:

(a) whether it is a fact that some inter-State power trading companies have been found guilty of violating conditions laid down for licence;

(b) if so, the details thereof and whether Government are considering to cancel the licences of the said companies;

(c) whether it is a fact that some of these companies have been found guilty of recovering excess trading margin;

(d) whether it is also a fact that besides the licence holder companies, some other companies are also trading power; and

(e) if so, the details thereof and details of action being taken against them?,

THE MINISTER OF POWER (SHRI P.M. SAYEED): (a) and (b) The Central Electricity Regulatory Commission (CERC) is empowered to issue licences for inter-State trading of eletricity under Section 79(1) of the Electricity Act, 2003. The CERC is also empowered to revoke the licence in public interest under the circumstances specified under Section 19 of the Electricity Act, 2003. As per the Central Electricity Regulatory Commission (CERC) (Procedure Terms and Conditions for grant of Trading Licence and other related matters) Regulations, 2004 the trading licensees are required to furnish information in specified form to the CERC on quarterly basis, a copy of which is also to be furnished to the Regional Load Dispatch Centre (RLDC) and Regional Electricity Board (REB) or the Regional Power Committee (RPC), as the case may be. The licensees are also required to post the said information on their web sites.

†Original notice of the question was received in Hindi.

It was brought to the notice of the CERC that the licensees were not complying with the requirements of submission of inforamtion to the REB/ RPC and RLDC, and posting the same on the web sites. The CERC issued orders directing the licensees to comply with the requirement of the Regulation. The licensees have since submitted the compliance report to the CERC.

(c) The Electricity Act, 2003 empowers the CERC to fix the trading margin in the inter-State trading of electricity, if considered necessary. The CERC has not yet fixed the trading margin for any trading licensee. The CERC in its oders dated 24.6.2005, *inter alia,* required two trading licensees, namely, PTC India Ltd. and Adani Exports Limited to explain the reasons for high trading margin being charged by them. The said licensees have since submitted their explanation before the Commission.

(d) and (e) Global Energy Ltd. (GEL) applied in March, 2004 to the CERC for grant of licence for inter-State trading in electricity. As the application made by GEL was still pending, the CERC as an interim measure and by virtue of powers conferred under sub-section (2) of the Section 94 of the Electricity Act, 2003 by its interim order dated 31.3.2004 directed that GEL could undertake sale and purchase of electricity involving inter-State transmission till 15.5.2004 or till dispoal of its main application for grant of licence for trading, whichever was earlier and at its own risk. This order was further extended up to 30.6.2004 and subsequently up to 15.9.2004 and finally up to 15.10.2004. The CERC has directed GEL, the prospective licencee, to file certain details *vide* its Oder dated 28.9.2004. However, GEL has filed petition before the Hon'ble High Court of Delhi against the order of the Commission dated 28.9.2004. The High Court by its order dated 26.10.2004 directed that "the interim licence granted to the petitioner be extended till the next date of hearing." This interim order now stands extended till further order. Thus, in terms of the High Court's order, M/s. Global Energy Limited can undertake trading in formal licence has been issued in its favour. Since the matter is *sub judice,* no further action is being taken.